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Reagan Denies Officials Deceived Press On Libyan Terror, Possible U.S. Action

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WASHINGTON—President Reagan denied that his administration deceived the American press about Libyan terrorist activities and about possible U.S. action against Libya, although officials concede that the U.S. is trying to undermine that country's leader, Moammar Gadhafi.

Referring to a Washington Post report claiming that in August the administration launched a domestic disinformation campaign about Libya, the president told a small group of journalists yesterday: "I'm challenging the veracity of the entire story."

The Post report, which quoted sections of a memo to the president from his national security adviser, Adm. John Poindexter, said that "beginning with an Aug. 25 report in The Wall Street Journal, the American news media—including the Washington Post—reported as fact much of the false information generated by the new plan."

'Quiescent' Gadhafi

In fact, the Post claimed, internal memos suggested that top U.S. officials believed Libya's Col. Moammar Gadhafi was "quiescent" at that time but nevertheless decided to plant false reports of renewed Libyan terrorist activity in the U.S. press as part of a broader campaign to unnerve the Libyans.

After official explanations yesterday by the president and his top advisers, two conclusions seemed clear: The U.S. believed in mid-August that Col. Gadhafi was planning terrorist activities and wasn't "quiescent." But some top administration officials likely exaggerated both the threat and the scope of U.S. plans to destabilize Col. Gadhafi.

The anti-Libya plan authorized by the president also included a media campaign to "remind the American public and our allies that the Gadhafi problem had not gone away," as one knowledgeable official claimed.

Officials denied that the administration manufactured evidence of renewed Libyan support for terrorism or invented reports about U.S. plans to counter the Libyan threat. But they conceded that as part of the effort to destabilize Col. Gadhafi, some officials may have put the hardest possible interpretation on the intelligence reports and on U.S. contingency planning for a possible second military strike.

Military Maneuvers Authorized

The policy Mr. Reagan approved did, however, call for a series of military moves and clandestine activities designed to make Mr. Gadhafi believe that the U.S. was about to pounce on him again after the April U.S. bombing of Tripoli. The president authorized stepped-up military maneuvers and sophisticated electronic-warfare techniques in an effort to unnerve the Libyan military.

Without commenting on the specifics of the U.S. anti-Gadhafi program, Mr. Reagan told the group of columnists yesterday that "we would just as soon have Mr. Gadhafi go to bed every night wondering what we might do." He denied that the administration's anti-Gadhafi program included deliberate attempts to mislead the U.S. press or the American public. "This was not any plan of ours," the president said.

As part of his August policy, Mr. Reagan also directed the Central Intelligence Agency to step up contacts with anti-Gadhafi leaders, both inside Libya and in nearby countries, and to promote exaggerated reports in the Middle East about growing opposition to Col. Gadhafi.

In response to the new evidence of renewed Libyan terrorism, the administration also warned Col. Gadhafi through diplomatic channels that it would respond militarily to any new Libyan-backed terrorist attack against Americans. The warnings, officials said, were designed partly to deter any renewed terrorism and partly to buttress the CIA and Pentagon attempts to rattle Col. Gadhafi.

Story 'Generally Correct'

This program was first outlined in a Wall Street Journal article on Aug. 25. Referring to that article yesterday, White House spokesman Larry Speakes said, "The Wall Street Journal story was generally correct."

On Aug. 27, Mr. Speakes had called the Journal's account of the administration's anti-Libya policy "unauthorized but highly authoritative." Yesterday, he modified that characterization slightly: "What I was trying to indicate is the information was authoritative, not the conclusions or the speculation in the article."

An official said evidence that Col. Gadhafi was resuming his support for terrorism began to arrive July 15. This prompted a policy review, which led to an Aug. 14 meeting. "The whole premise of the meeting was that he (Col. Gadhafi) was on the move," a senior official told reporters. Egyptian government officials and Libyan exiles agreed at the time of the story that there had been an increase in the signs of troublesome activity by Libya.

According to the Washington Post, Adm. Poindexter's August memo to President Reagan said that "one of the key elements" of the anti-Libya campaign "is that it combines real and illusionary events—through a disinformation program—with the basic goal of making Gadhafi think that there is a high degree of internal opposition to him within Libya, that his key trusted aides are disloyal, that the U.S. is about to move against him militarily."

Mr. Speakes confirmed that "there was a Poindexter memo," but said he hadn't seen it. Officials couldn't explain the use of the word "quiescent" in the memo. A congressional source said he had been told by administration officials that the memo contained proposals that haven't been approved. Yesterday, in response to a question about "memos which said there was a deliberate attempt to mislead the press and the American people," Mr. Reagan replied: "They were not a part of any meeting I've ever attended."

A senior White House official said "the implication that . . . the president had authorized a program of disinformation for the American media . . . is absolutely false." However, the official left open the possibility that the U.S. may have tried to deceive Col. Gadhafi with military maneuvers or to spread false reports abroad. "You have to distinguish between the audiences," he said.

Secretary of State George Shultz also commented on the matter in a meeting with reporters in New York. "I know of no decision to have people go out and tell lies to the media," he said. "I think, however, that if there are ways in which we can make Gadhafi nervous, why shouldn't we?" Mr. Shultz also said, "Frankly, I don't have any problems with psychological warfare against Gadhafi."

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